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Friday 7 October 1977 CG NIDC 77/234C

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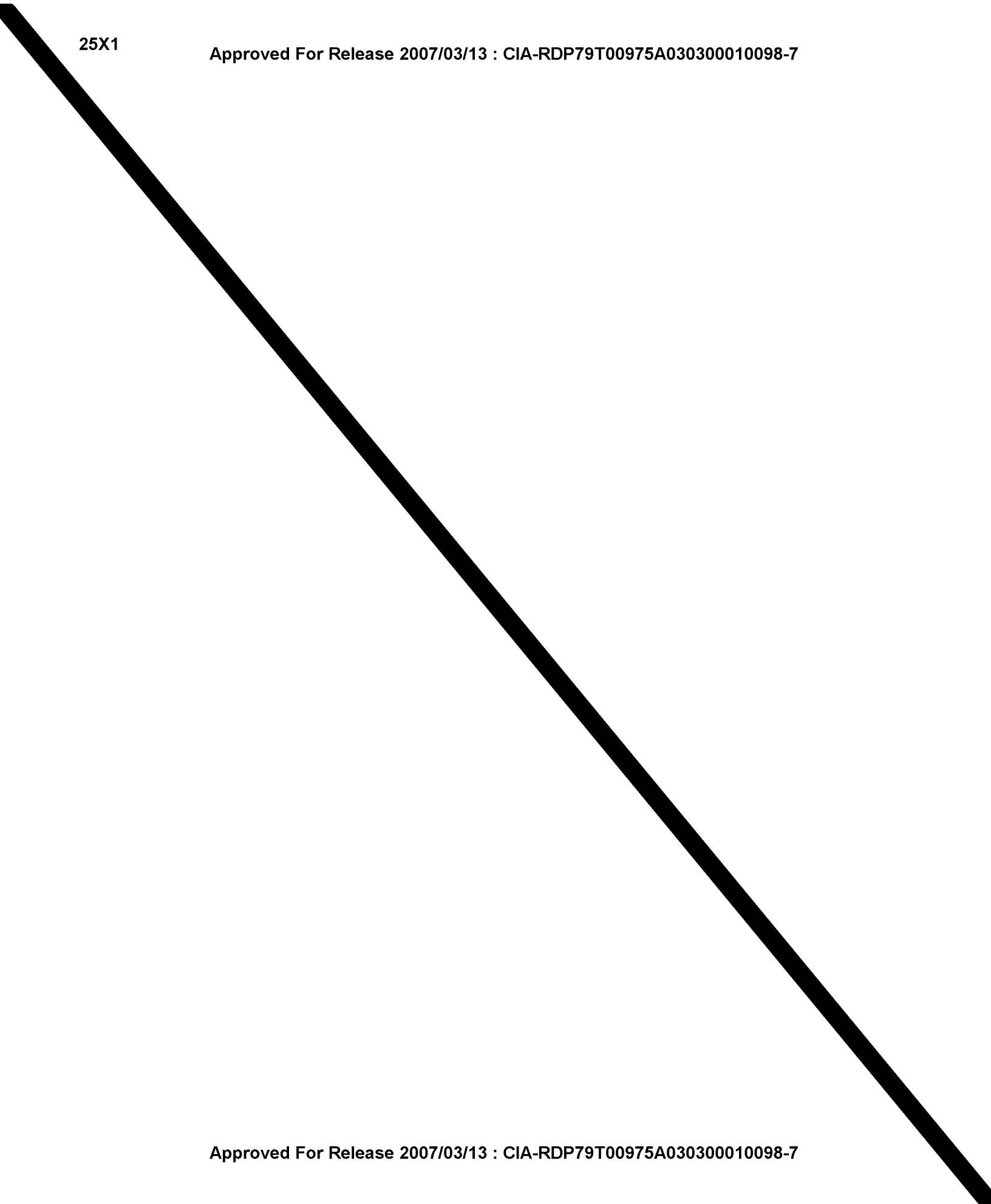

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National Intelligence Daily Cable for Friday, 7 October 1977
//Slants indicate Noforn// Classification abbreviations precede each paragraph. The NID Cable is for the purpose of informing senior US officials.

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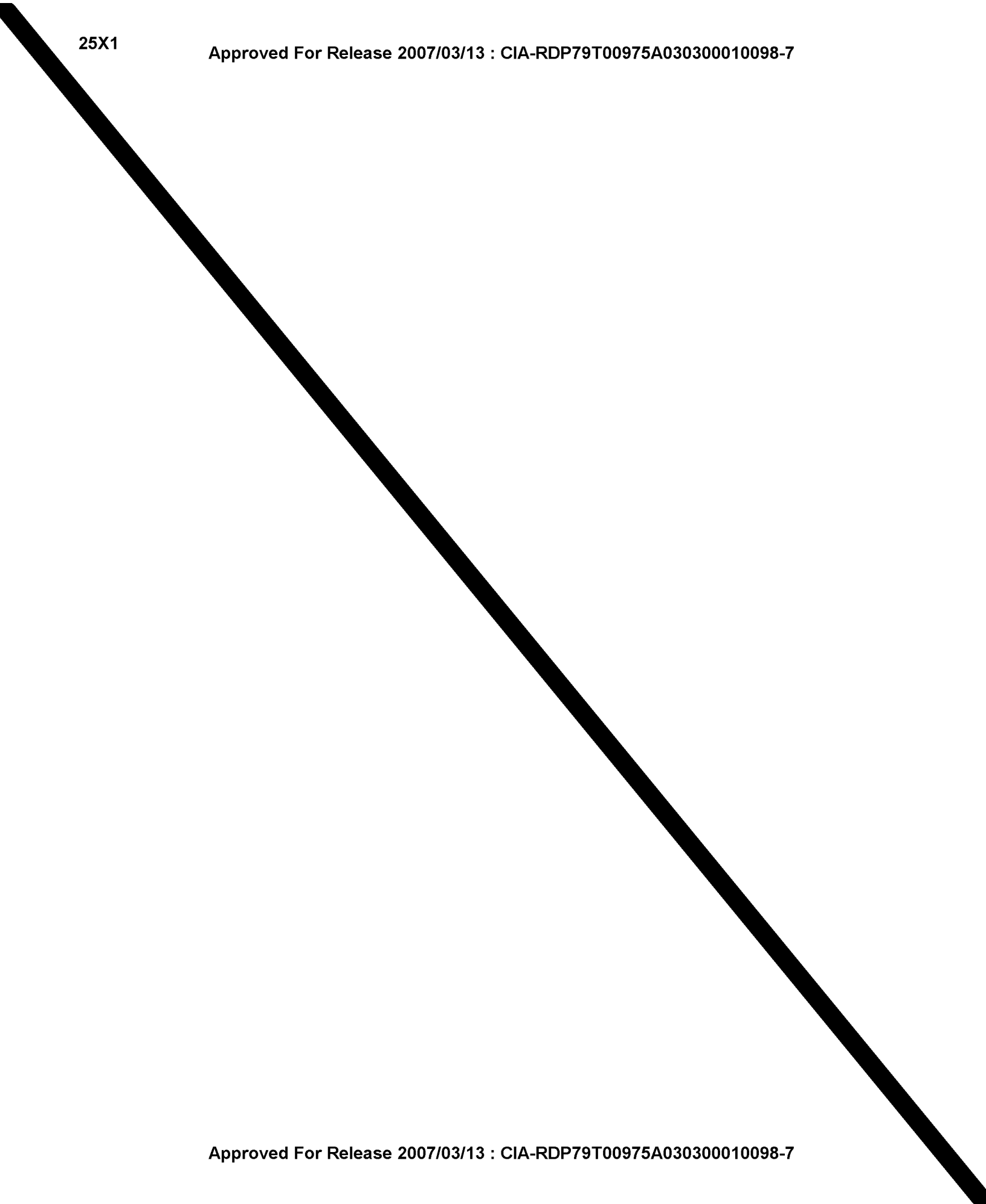

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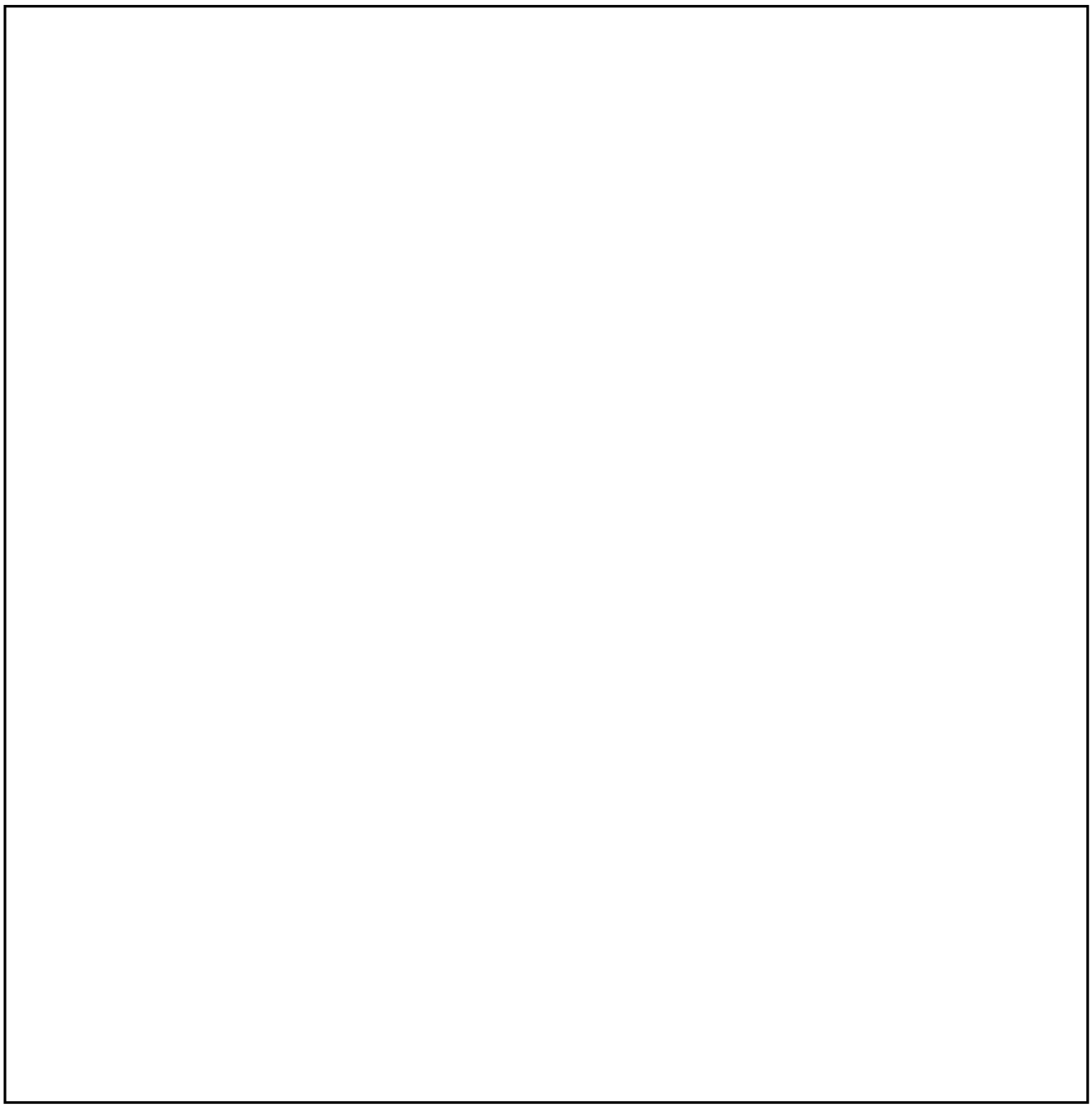

WESTERN EUROPE: Nuclear Power

25X1 [redacted] //A number of West European governments are facing increased political and legal barriers to the development of

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nuclear power. Prolonged legal battles, protest demonstrations, and renewed calls for nuclear moratoriums are gaining momentum. Most governments, however, are determined to press ahead with their nuclear power programs. Because of long lead times, decisions on nuclear power made in the next year or two will affect the growth of nuclear energy in the mid-1980s.//

25X1 [redacted] //Large protest demonstrations have taken place recently in France and West Germany. Reporting from West Germany suggests growing public disenchantment about the value of further nuclear development. Legal battles over construction sites, safety, and environmental considerations are coming on top of other lawsuits dealing with radioactive waste disposal, reprocessing, licensing, and regulation. One lawsuit is contesting the entire legal foundation of the West German nuclear energy authority.//

25X1 [redacted] //Environmental and ecological groups in France are following similar tactics and are planning to enter anti-nuclear candidates in the national election next March.//

25X1 [redacted] //In Sweden, the political battle over nuclear power that arose during the election campaign last year is continuing. Swedish Prime Minister Falldin remains strongly opposed to the use of nuclear power but has been forced to compromise with its proponents by promising further studies of nuclear waste disposal. In Belgium and Switzerland, public discussion is under way on the merits of a nuclear moratorium. As yet, however, these discussions have not developed the broad public support that is becoming apparent in West Germany and, to a lesser degree, in France.//

25X1 [redacted] //The growing public debate about the efficiency and desirability of nuclear power has already caused a slowdown in nuclear power programs. These delays, coupled with lower forecasts of total electricity demand and the rapidly increasing costs of nuclear power plants, have substantially reduced expectations of nuclear energy availability in 1985. Projected nuclear electric generating capacity in non-Communist countries is now expected to grow from about 73,000 megawatts in 1977 to about 252,000 megawatts in 1985--less than one-half the amount projected in 1970.//

25X1 [redacted] //Nuclear power in countries that are members of the Organization for Economic Cooperation and Development will provide the equivalent of about 6.2 million barrels per day of

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oil in 1985, or about 6 percent of their total energy consumption. With energy demand continuing to grow, the nuclear share of total energy consumption will decline by the late 1980s unless nuclear power plant construction accelerates in the near
25X1 future.

INDIA: Ghandi's Position Stronger

25X1 *The Indian Government's recent actions against former Prime Minister Gandhi appear likely to result, at least temporarily, in strengthening her position.*

25X1 Gandhi was arrested on Monday on charges that included taking a bribe for granting an oil drilling contract to a French firm. The government may have expected the initial hearing to be pro forma, but Gandhi refused bail and the magistrate released her unconditionally on the grounds that the government had presented no evidence to support its charges. Home Minister Charan Singh--who probably pushed hardest for action against Gandhi--later admitted to the press that there was no proof against her in the bribery case.

25X1 Gandhi has accused the government of conducting a vendetta. All factions of the opposition Congress Party have announced their support for her, and the incident may well allow her to dominate a special session of the party's ruling body to be held next week.

25X1 Although some ruling party officials believe the government erred in bringing the charges, the government now seems to have little choice but to pursue the case and is appealing her release to a higher court. The incident has clearly hurt the credibility of the government, but it still appears unlikely that its control of parliament will be affected.

25X1 Charan Singh has probably been hurt most by the case, but he is far too strong to be removed from office easily. His rivals among the party leaders are unlikely to risk splitting the party by attacking him openly. 25X1

ITALY: Local Elections Postponed

25X1 *The decision this week by Italian political leaders to postpone the November local elections until next spring will*

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enhance the stability of Prime Minister Andreotti's Christian Democratic minority government. The approaching electoral campaign had presented the most immediate threat to cooperative relations between Andreotti's party and the Communists, whose parliamentary abstention is crucial to the government's survival.

25X1 [redacted] Although the elections involve only about 10 percent of the electorate, they would have provided the most significant test of voter sentiment since the 1976 parliamentary election, in which the Communists scored unprecedented gains. The elections will now be held concurrently with another round of local contests in May or June. The decision to hold the two sets of elections simultaneously is being cast as an effort to make the electoral process more efficient.

25X1 [redacted] Although that consideration did play a role in the decision, party leaders were more influenced by the political advantages of a postponement.

25X1 [redacted] The Communist leadership, on the other hand, feared that any losses would slow the party's momentum and make it even more difficult to keep the rank and file united behind Communist chief Berlinguer's policy of cooperation with Andreotti. For their part, the Socialists and some of the smaller parties wanted more time to rebuild their campaign organizations, fearing that any voting now would show a further gravitation of the electorate toward the two large parties.

25X1 [redacted] Since the decision reflects the will of the major party leaderships, parliamentary approval of the delay seems assured. There is resistance to the decision, however, within the Christian Democrats' parliamentary delegation and within some of the smaller parties. Christian Democrats, who dislike the idea, argue that their party needs a tough campaign at this time to counter what they regard as a steady drift toward closer relations with the Communists.

25X1 [redacted] Many critics also emphasize their concern for democracy in Italy and stress that the parties are setting a dangerous precedent by postponing an election because they are nervous about the possible results. [redacted] 25X1

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NAMIBIA: Rare SWAPO Meeting

25X1 *The administrator-general for Namibia appointed by South Africa has announced that the South-West Africa People's Organization will be allowed to hold a meeting in Ovamboland on Sunday, its first meeting there in five years.*

25X1 SWAPO's political power is based on the Ovambo tribe, which makes up over half of Namibia's population. Participation in the meeting presumably will be limited to the so-called internal wing of SWAPO, which is permitted to operate inside Namibia. The relationship of the internal wing to SWAPO President Sam Nujoma and to the guerrilla forces has never been very clear, although SWAPO political cadre inside Namibia certainly intend to be part of any SWAPO-dominated government that comes to power.

25X1 The short notice given for the Sunday meeting probably is intended to make it difficult for SWAPO guerrillas to participate. The size and character of the meeting may provide some indication of the current state of SWAPO's appeal in Ovamboland.

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USSR: Constitution and Kuznetsov

25X1 *The USSR's new constitution will be approved at the final meeting of the Supreme Soviet this morning. This will open the way for the formal election of someone to fill the post created by the new charter--First Deputy Chairman of the Presidium of the Supreme Soviet, in effect, vice president of the USSR. The position appears to be essentially ceremonial, and the choice will probably go to Vasily Kuznetsov, now First Deputy Minister of Foreign Affairs.*

25X1 The Supreme Soviet discussions thus far have revealed no details of the amendments to the constitution. The speeches at the session have been noteworthy only for the praise lavished on party leader and President Brezhnev and for their defensiveness about Western criticism of the constitution.

25X1 The promotion of Kuznetsov to candidate membership on the Politburo last Monday gave the Ministry of Foreign Affairs two spokesmen on that body--overrepresentation in comparison with other Soviet institutions. Kuznetsov's departure from the ministry to become vice president would redress this imbalance.

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25X1 The case for his appointment has also been bolstered in the past few days by the apparent unanimity in the Soviet rumor mill that he will get the post. For example, journalist Victor Louis told a Western newsman shortly after the Central Committee plenum on Monday that Kuznetsov had been selected for the post that day. A Soviet diplomat in Belgrade told the US Embassy there that the 76-year-old Kuznetsov would get the vice presidency, characterizing the job as semiretirement.

25X1 So long as the position is occupied by someone like Kuznetsov, who has no political power base, the identity of the incumbent will have no bearing on the question of succession to Brezhnev as party leader. Kuznetsov may, in fact, have been chosen with a view to sidestepping this issue.

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CANADA: Status of the Tories

25X1 *//Joe Clark, the leader of Canada's opposition Progressive Conservative Party, is making a strong showing in his bid to challenge Prime Minister Trudeau and the governing Liberal Party. Tory provincial premiers have given a solid endorsement to Clark's leadership well before the annual party conference in November, and Clark himself has taken steps to strengthen his handling of the party's policy and fiscal affairs. Polls indicate that the Liberals still have a sizable lead over the Conservatives, but this advantage seems unlikely to last in the face of increasing voter dissatisfaction with the sluggish economy and high unemployment. The Tories believe these issues will carry the day for them in the election Trudeau is expected to call next spring.*

25X1 //Clark's recent meeting with the four Conservative provincial premiers underscores the progress he has made in pulling the party together. The meeting, to coordinate national party strategy, resulted in a joint "communique" on issues such as the economy and national unity. This declaration is to serve as a major policy statement for the party's conference in November. Even more important from Clark's standpoint, the meeting showed the Tory rank and file that Clark has the full support of senior party leaders.//

25X1 //Clark realizes that he has a tough task ahead of him in overcoming the Liberals' sizable lead in the polls--a lead that is partly caused by his reputation as an ineffectual

25X1

party leader. He admits that he has depended too much on the advice of his staff--and particularly of dissident Tory members of Parliament--when he should have been listening to the Tory caucus and provincial premiers. Clark also intends to make fewer but better speeches and to lay out more definitive positions on the issues.//

25X1 //Failure to go on record with comprehensive, well-timed policy proposals probably has hurt Clark's image more than anything else. Following the victory last November of Rene Levesque's separatists in Quebec, for example, the Tories did not come forth with well-considered policy options. To make up for this neglect, Clark has hired as his principal policy adviser an ex-Liberal, J. D. Edmonds, who worked for former Prime Minister Lester Pearson in the 1960s. The recruitment of Edmonds, who has extensive experience in business and government, is considered a major coup and should strengthen Clark's credibility with the business and academic communities.//

25X1 //Clark's top economic adviser is a Tory member of Parliament from Toronto, James Gilles. Gilles is a vocal advocate of Canadian reliance on the development and sale of natural resources, a position increasingly seen by Canadians as a way to revitalize the country's sluggish economy. He also believes the government should spur consumer demand by reducing sales taxes and personal income taxes for low- and middle-income groups.//

25X1 //Clark has moved several influential Albertans into key positions on his newly established "Canada Fund Board," which will handle the party's campaign finances. The Conservatives need a financial boost, and the inclusion of the Albertans should ensure substantial help from that oil-producing province. Their presence on the Board should also demonstrate Clark's respect for the political influence of the western provinces and offset Trudeau's recent elevation of ex-Tory Albertan Jack Horner to cabinet rank.//

25X1 //Clark's best hope of breaking the Liberals' hold on Parliament is to continue his efforts at the grass-roots level, where he has worked hard during the past two years. A Liberal insider recently described the large following his party enjoyed in the public opinion polls during the summer as "very fragile." Scattered reports over the past few months suggest that the Liberals have done very little to assure that this backing will be turned into votes.//

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25X1 [redacted] //For the moment, the key to both parties' fortunes lies with the undecided voters, who apparently include more than a third of the electorate. It appears that the national unity issue is losing its appeal and that the electorate is once again taking a hard look at the Trudeau administration, particularly its economic policy.// [redacted] 25X1 25X1

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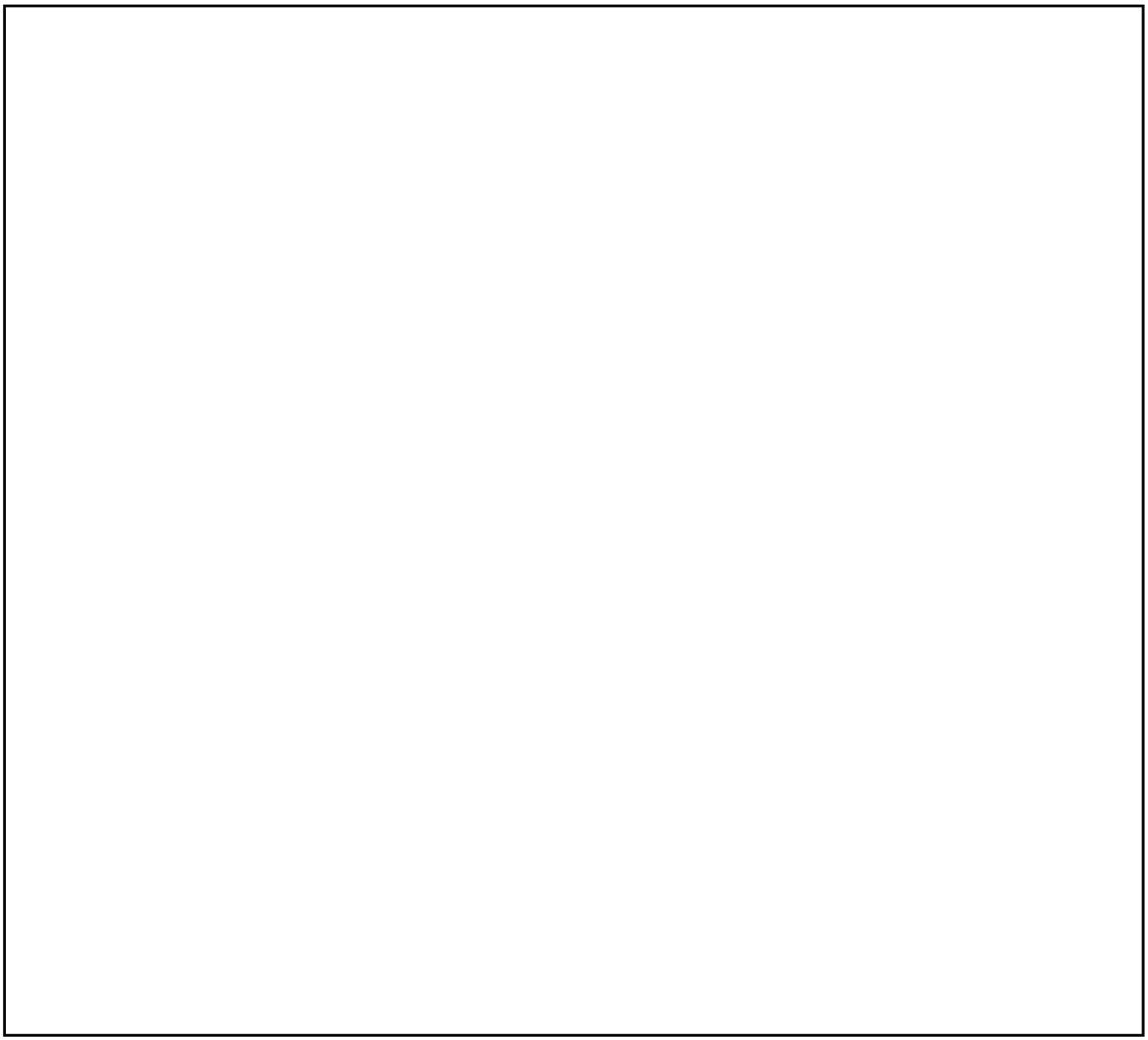

UK-USSR: Owen To Visit Moscow

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//British Foreign Secretary Owen will visit Moscow from 9 to 11 October for talks with Foreign Minister Gromyko on a variety of international and bilateral matters. The discussions are being held under the terms of an Anglo-Soviet agreement concluded in 1975 that calls for annual consultations between the foreign ministers or their representatives.//

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25X1 //International topics to be discussed will include southern Africa, the Middle East, the Conference on Security and Cooperation in Europe, and nonproliferation. Owen and Gromyko will probably simply exchange views; no new policy initiatives are likely to emerge.//

25X1 //The British are concerned that the Soviets do nothing to upset negotiations for a peaceful settlement in Rhodesia. The British have little respect for Soviet diplomacy in Africa; they believe the USSR relies too heavily on ideology and pays too little attention to national or tribal factors.//

25X1 //On bilateral matters, Owen will want to talk about the trade imbalance between the two countries. Trade in 1976 ran at almost a 3 to 1 ratio in favor of the USSR; the ratio for the first eight months of 1977 is not much better from the British standpoint.//

25X1 //Owen will probably press the USSR to use more of the $1.6 billion credit extended in 1975 to finance British exports to the USSR. The Soviets are likely to respond that the British are making progress difficult by trying to raise the interest rates on the line of credit. They may press the UK for concessions similar to those reportedly agreed to recently by the Italians. 25X1

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AUSTRALIA: Molecular Biology

25X1 *//The Australian Ministry of Health is planning a multimillion dollar laboratory facility in which high-risk molecular biology experiments can be conducted safely. The facility is much larger and more elaborate than would be needed for current or anticipated Australian research activities. It probably is intended to induce foreign scientists to conduct recombinant DNA experiments in Australia.//*

25X1 //The facility will be built on an island off South Australia and reportedly will contain 20 to 30 large laboratories, all equipped with the most advanced versions of safety devices and systems, such as negative pressure barriers, glove boxes, incinerators, space-suit type clothing, and special transfer modules for moving samples from one laboratory to another. As such, it will become the world's largest and probably most advanced facility designed to meet all of the strictest physical containment criteria that have been developed to prevent catastrophic recombinant DNA research accidents.//

25X1 //Almost all of the recombinant DNA experiments initiated by Australian researchers thus far are relatively hazard-free and will not require elaborate containment facilities. A considerable amount of space should remain available at the facility and foreign scientists probably could be induced to conduct research there. This would increase Australia's scientific prestige worldwide, enable it to exploit profitably the commercial aspects of recombinant DNA research, and probably would benefit other molecular biological research as well.//

25X1 //Australian laboratories interested in recombinant DNA studies have been asked to report details of their proposed research to a standing committee on genetic engineering, which

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has published a non-binding set of research guidelines. Enforcement, however, is based mostly on peer pressure. Since many other Western nations and the USSR are planning to adopt legally binding research regulations, scientists may find greater freedom to conduct experiments in Australia than elsewhere and, more important, may escape the time-consuming administrative workload that probably will arise in countries with enforceable regulations and oversight organizations.

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[redacted]

China

25X1 [redacted] China marked the first anniversary of the purge of the "gang of four" by publishing a joint editorial yesterday in the nation's three major papers calling for greater efforts against remaining sympathizers of the gang. The editorial repeats earlier calls for moderation in dealing with former gang supporters. Peking has maintained tight control over the campaign from the start in order to avoid the violence sparked by earlier campaigns.

25X1 [redacted] The year-long campaign to ferret out the sympathizers has bogged down in some provinces. Leftist sentiment apparently was strong among junior officials, and some who still hold key posts have hindered investigations. Others apparently have attempted to conceal their past association with the gang.

25X1 [redacted] The campaign against the left may be entering its final stage. Party Chairman Hua Kuo-feng told the 11th Party Congress in August that the work should be completed by late this year or early next. [redacted] 25X1 25X1

[redacted]

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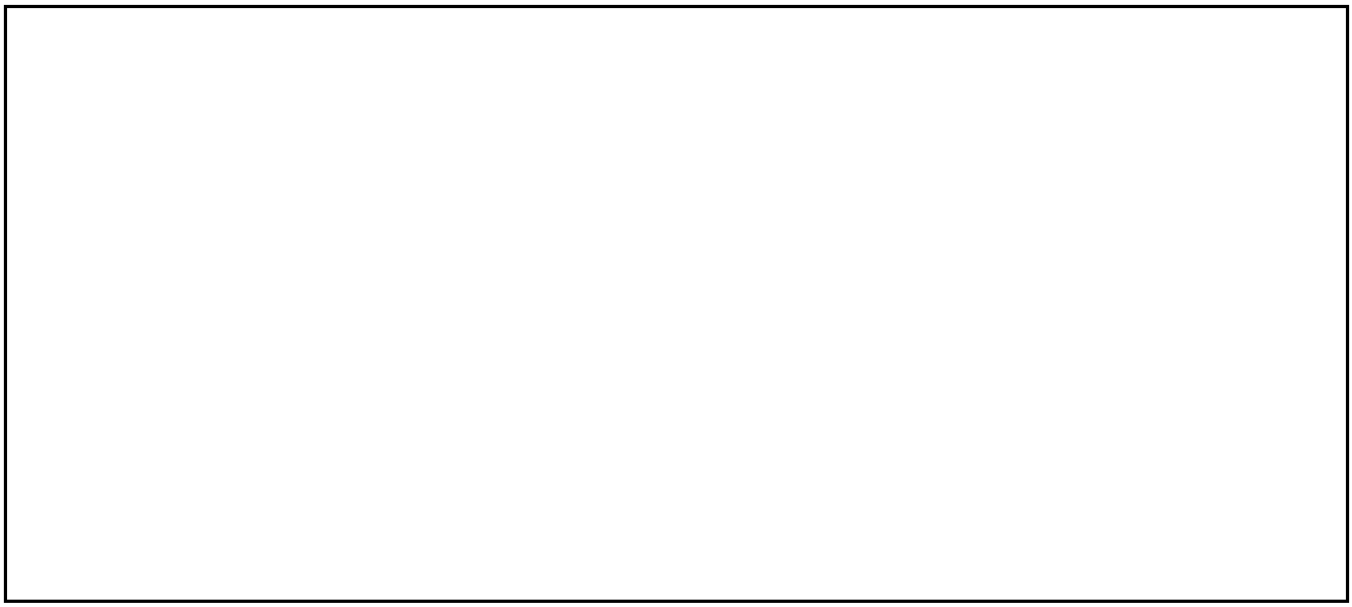

Netherlands

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Interparty talks on forming a new coalition government in the Netherlands came to a halt on Thursday in a dispute over how many cabinet posts each party would get. This is the third time since the election last May that caretaker Prime Minister den Uyl has declared the talks deadlocked and has withdrawn. A mediator has managed to resolve the differences each of the previous times.

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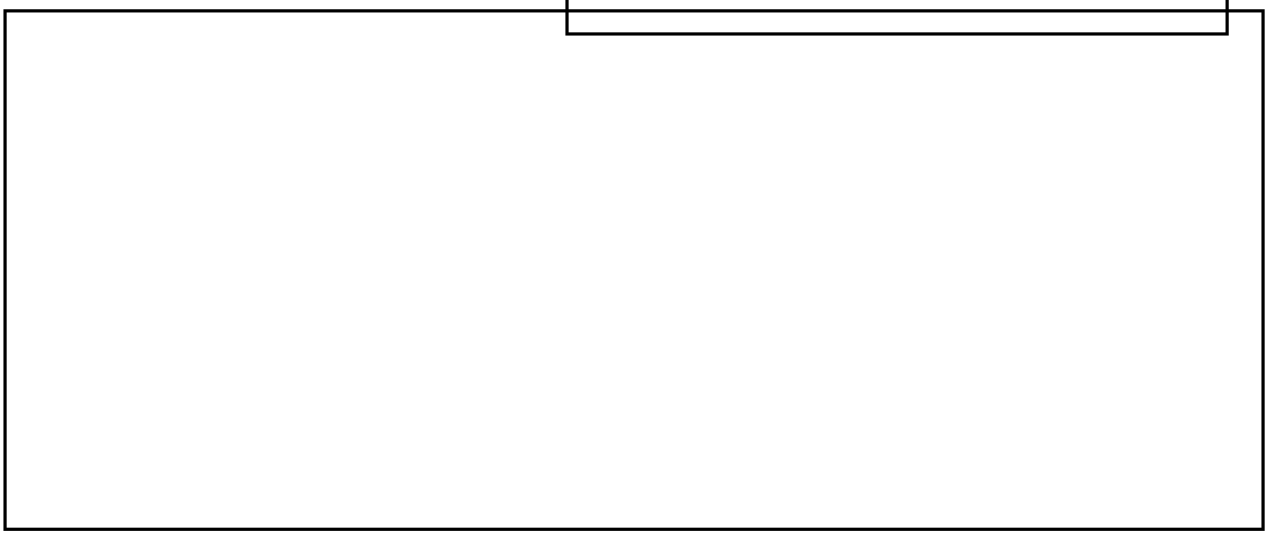

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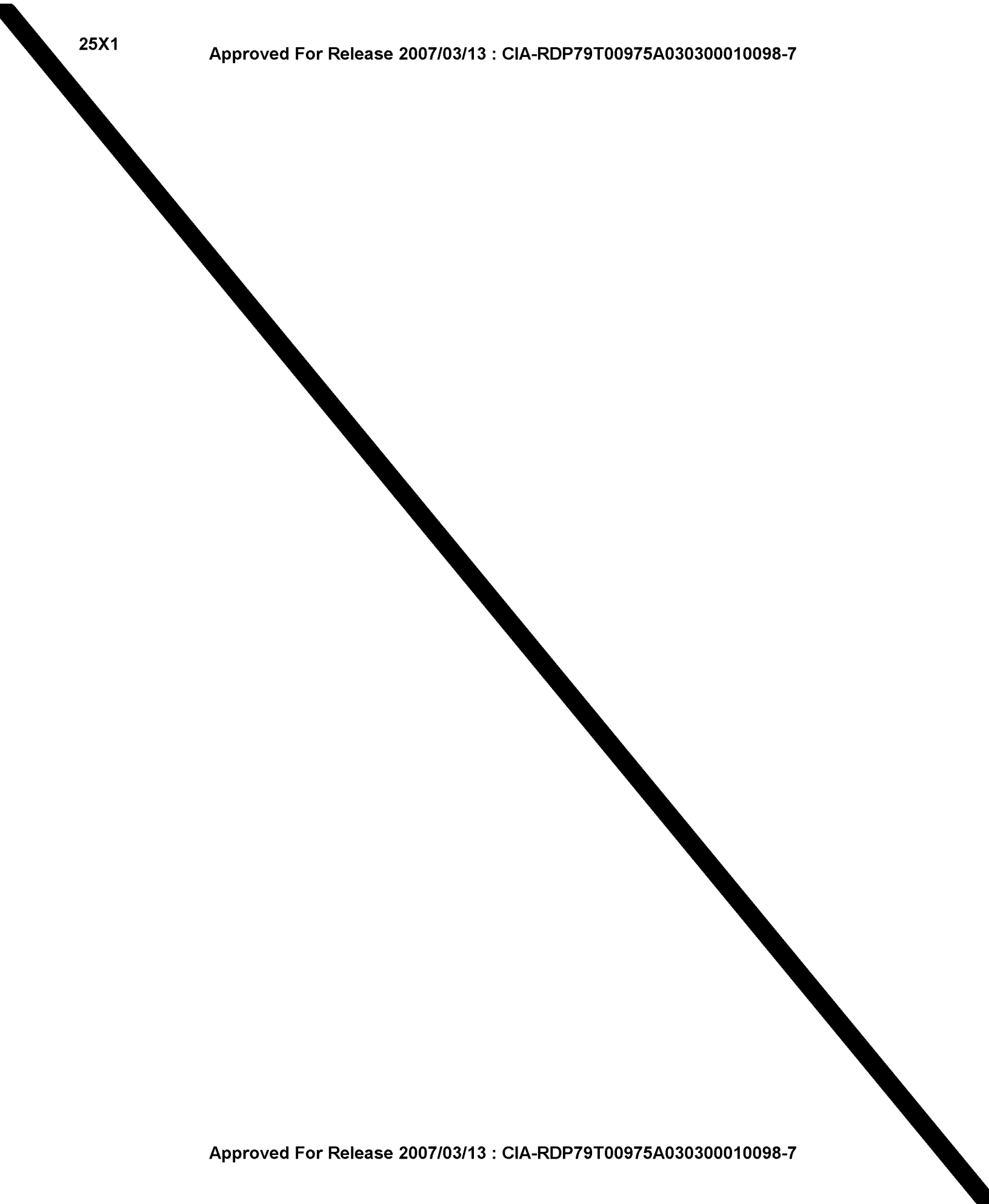

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